

Message Text

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42

ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 COME-00 L-03 H-03 TAR-02 AGR-20

OMB-01 SP-03 AID-20 NSC-07 RSC-01 CIEP-03 SS-20

STR-08 CEA-02 PA-04 PRS-01 USIA-15 DRC-01 /142 W

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P 162224Z AUG 74

FM AMEMBASSY BOGOTA

TO SECSTATE WASHDC PRIORITY 4364

TREASURY WASHDC PRIORITY

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TREAS FOR SUCHMAN

EO 11652: NA

TAGS: ETRD CO

SUBJ: CUT FLOWERS FROM COLOMBIA

REF: STATE 178467

1. SUMMARY: WE BELIEVE THAT GOC HAS FULLY IMPLEMENTED SYSTEM FOR AVOIDING IMPOSITION OF COUNTERVAILING DUTY ON CUT FLOWER EXPORTS TO US. ONLY IDEMA CAN EXPORT FLOWERS TO THE US AND WE HAVE CONFIRMATION THAT THOSE GROWERS WHO HAVE NOT YET SIGNED CONTRACTS WITH IDEMA ARE UNABLE TO EXPORT TO THE US. EIGHT FLOWER PRODUCERS HAVE ALREADY SIGNED CONTRACTS WITH IDEMA. TEN ADDITIONAL CONTRACTS ARE WAITING FOR SIGNATURE OF NEW IDEMA DIRECTOR. ALL OTHER FIRMS WILL HAVE TO SIGN CONTRACTS WITH IDEMA IF THEY WISH TO CONTINUE TO EXPORT FLOWERS TO US. THEREFORE EMB RECOMMENDS PUBLICATION OF A PERMANENT NEGATIVE DETERMINATION ON SCHEDULE. END SUMMARY.

2. IN RESPONSE REFTEL FINATT DISCUSSED IMPLEMENTATION OF PRESIDENTIAL DECREE, WHICH OUTLINES A SCHEME TO AVOID THE IMPOSITION OF A COUNTERVAILING DUTY ON CUT FLOWER IMPORTS FROM COLOMBIA, WITH: (A) RAXUEL ACOSTA, CHIEF OF THE LEGAL DIVISION OF IDEMA,
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AND (B) EDGAR VIEIRA, DEPUTY DIR OF INCOMEX FOR EXPORTS.

ACOSTA STATED THAT PRESIDENTIAL DECREE IMPLEMENTING SCHEME BECAME LEGALLY EFFECTIVE AUGUST 13, FIVE DAYS AFTER DECREE WAS PUBLISHED IN COLOMBIAN EQUIVALENT OF FEDERAL REGISTER. AS OF AUG 16 EIGHT CONTRACTS HAVE BEEN SIGNED AND TEN MORE AWAIT SIGNATURE OF NEW IDEMA DIRECTOR WHO HAS BEEN NAMED BUT HAS NOT TAKEN OFFICE YET. IN ADDITION, ACOSTA SENT LETTER TO EMBASSY: (A) OFFICIALLY STATING THAT IN ACCORDANCE WITH PRESIDENTIAL DECREE IDEMA IS THE ONLY LEGAL EXPORTER OF CUT FLOWERS TO THE US, AND (B) PROVIDING A STATUS REPORT ON CONTRACTS ALREADY SIGNED BETWEEN IDEMA AND THE FLOWER GROWERS. EMB UNOFFICIAL TRANSLATION FOLLOWS SEPTTEL.

3. VIEIRA OF INCOMEX, THE EXPORT LICENSING AGENCY STATED THAT: (A) ALL REGISTRATIONS OF FLOWER EXPORTS TO THE US MUST BE MADE THROUGH IDEMA, (B) INCOMEX WILL NOT ISSUE LICENSES UNLESS IDEMA'S NAME APPEARS ON THE EXPORT PERMITS, AND (C) AFTER THE FOREIGN EXCHANGE FROM FLOWER EXPORTS TO THE US IS RECEIVED IDEMA WILL GO DIRECTLY TO THE CENTRAL BANK TO RECEIVE THE WHOLE CAT AND SUBSEQUENTLY WILL PROVIDE THE FLOWER GROWERS WITH ONLY 2.8 PERCENTAGE POINTS OF THE CAT.

4. WE RECOGNIZE THE NEED EXPRESSED PARA 3 REFTTEL TO DISCUSS WITH IDEMA ANY FUTURE PROGRAMS WHICH MAY PROVIDE ADDITIONAL RESOURCES TO FLOWER GROWERS. EMB WILL BE IN CONTACT WITH IDEMA AND WE DO NOT FORESEE ANY DIFFICULTIES IN COMMUNICATIONS IF CONSULTATIONS SHOULD BECOME NECESSARY.

5. COMMENT. ALTHOUGH ALL CONTRACTS BETWEEN IDEMA AND PRODUCERS HAVE NOT BEEN SIGNED, GOC HAS FULLY IMPLEMENTED SYSTEM FOR AVOIDING IMPOSITION OF COUNTERVAILING DUTY. PRODUCERS CLEARLY UNABLE TO EXPORT FLOWERS TO US UNLESS CONTRACT SIGNED. PRESENTLY NO FLOWER PRODUCERS CAN EXPORT TO THE US EXCEPT THROUGH IDEMA. IT IS IMPOSSIBLE TO DETERMINE HOW MANY PRODUCERS WILL IN FACT ELECT TO CONTINUE TO EXPORT FLOWERS TO THE US. THUS PERCENTAGE OF CONTRACTS SIGNED BETWEEN IDEMA AND TOTAL NUMBER OF PRODUCERS NOT AN ACCURATE MEASURE OF COMPLIANCE WITH PRESIDENTIAL DECREE. THEREFORE EMB BELIEVES THERE IS NO REASON TO DELAY FINAL NEGATIVE DETERMINATION BEYOND 24 AUGUST AS ORIGINALLY PLANNED. END COMMENT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: LAW, EXPORTS, PLANTS (FLORA), COUNTERVAILING DUTIES, EXPORT SUBSIDIES, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
Executive Order: N/A
Errors: N/A
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TAGS: ETRD, CO, US, IDEMA
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